

Figure 1

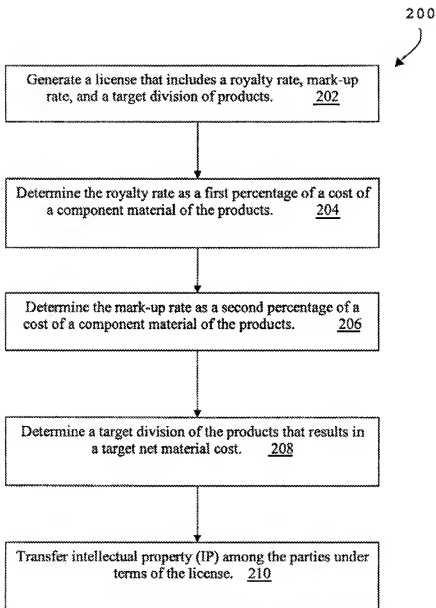


Figure 2

Mark-up Rate = 40%

Royalty Rate = 37%

300



	Product Split Mfr / Des	MFR Net Product Cost (\$)	Des Net Product Cost (\$)
302	90/10	130	-167
	80/20	124	4
	70/30	117	61
	60/40	107	89
Target	54/46	100	100
304	50/50	94	106
	40/60	74	117
	30/70	41	125
	20/80	-26	131
	10/90	-226	136

Figure 3

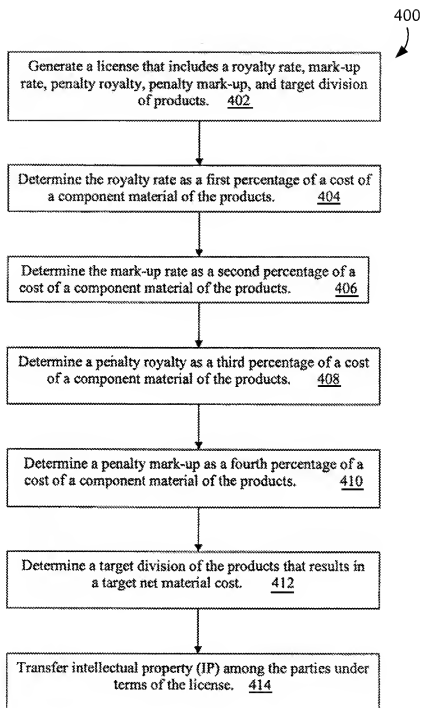


Figure 4

500
↙

	Product Split Mfr / Des	MFR Net Product Cost (\$)	Des Net Product Cost (\$)
502	90/10	150	-347
	80/20	140	-61
	70/30	128	34
	60/40	112	81
Target	54/46	100	100
504	50/50	89	111
	40/60	51	132
	30/70	-11	148
	20/80	-136	159
	10/90	-512	168

Figure 5